

CENTRAL INTELLIGENCE AGENCY
WASHINGTON, D.C. 20505

Executive Registry

76-2281

20 MAY 1976

The Honorable Earl L. Butz
Secretary of Agriculture
Fourteenth Street and Independence Avenue, S.W.
Washington, D. C. 20250

Dear Earl:

The recent reorganization of the Administration's agricultural policymaking machinery provides an opportunity to review the role that CIA's economic intelligence unit can play in support of you and other members of the new Agricultural Policy Committee.

Our Office of Economic Research supports US Government policymakers with economic reporting and analysis. Its current reporting on agriculturally related developments abroad is based on all source material, including that of the highest security classification, and can provide an important supplement to other information available to the USDA. In addition, the CIA staff of more than 200 economists provides a wide-ranging research capability on foreign economic problems, including those bearing directly or indirectly on US agricultural interests.

In your role as chairman of the reorganized Cabinet-level committee, I feel certain you would want to draw on the support of all US Government assets. CIA stands ready to provide its full array of analytical talents in support of your committee's staff, the Agricultural Working Group. To be most effective in this support, I believe it is important that CIA's Office of Economic Research be represented at the regular meetings of the Agricultural Working Group. We have found such representation on comparable committees--including the former Food Deputies Group--assures a more timely, issue-centered response from our economic intelligence component in meeting the needs of policymaking consumers.

(EXECUTIVE REGISTRY FILE)

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If you agree, please let me know whom my Director of Economic Research, Dr. Maurice Ernst, should contact about this matter.

Sincerely,

[Redacted Signature]

George Bush
Director

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*good seeing you at the
French Gala!*

[Redacted Initials]

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Letter to The Honorable Earl L. Butz
From: Director of Central Intelligence Agency

25X1A
CONCUR:


Deputy Director for Intelligence

18 May 76
Date

EWProctor:fbr (18 May 1976)

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MEMORANDUM FOR:

The Director

Executive Registry

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Attached for your signature is a letter to Secretary Butz asking that our Office of Economic Research (OER) be represented on a working group that is subordinate to a new Cabinet-level committee that Butz chairs.

The Cabinet-level committee replaced a committee chaired by the Council of Economic Advisers. OER was represented on the working group of the older committee. We have come to learn that OER's exclusion from the new working group was intentional. Informal probes indicate that the only way OER can be represented is for you to ask Butz. OER membership would be supported by Treasury, State, and others. The attached memorandum from OER provides more detail.

Ed Proctor

Date 18 May 1976

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Room 7-E-12
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18 May 1976

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MEMORANDUM FOR: Director of Central Intelligence

FROM : Maurice C. Ernst 76
Director of Economic Research

VIA : Deputy Director for Intelligence

SUBJECT : Letter to Secretary Butz Requesting
CIA Participation in Agricultural
Working Group

1. The attached draft letter from you to Secretary of Agriculture, Earl Butz, requests that CIA/OER be invited to participate in the meetings of the newly formed Agricultural Working Group. The Agricultural Working Group is a middle-level body chaired by Assistant Secretary of Agriculture for International Affairs, Richard Bell, and whose members include all the departments and agencies in Washington concerned with agricultural affairs except CIA.* OER was represented on the predecessor body, the Food Deputies Group, almost since its creation in June 1974.

2. In a recent reorganization, President Ford established an Agricultural Policy Committee at the Cabinet level chaired by Secretary Butz. Previously, top-level agricultural policy had fallen within the purview of the Food Committee of the Economic Policy Board, in which Treasury and State played a dominant role, and the subordinate Food Deputies Group was chaired by a member of the CEA. The reorganization was clearly designed to give USDA a dominant role in agricultural policy and is generally viewed as an attempt to reduce farm belt criticism of the Administration.

* CEA, Treasury, State, Commerce, OMB, CIEP, NSC, STR, Domestic Council, Council on Wage and Price Stability.

3. It is not by accident that OER was left off the list of agencies invited to participate in the Agricultural Working Group. OER studies on Soviet grain crops and import needs, the capacities of Soviet ports to handle grain imports, Chinese and East European agriculture, and worldwide supply and demand for grain, in particular for US grain, have provided US policymakers both with unique information and with independent assessments on foreign agriculture. These have sometimes been at variance with USDA positions. CIA's information and evaluations on foreign agriculture are made available to USDA through both oral briefings and dissemination of written material. At the same time CEA, OMB, Treasury and State frequently call CIA for independent views on foreign agriculture. Since the disappearance of US grain stocks in 1973, the promotion and protection of farm incomes and the dampening of inflation have been increasingly in conflict.


4. Our understanding of agricultural policy issues and our ability to support policymakers have benefitted greatly from participation in the meetings of the Food Deputies Group. We believe the same benefits would result from our participation in the Agricultural Working Group. Although we know that its Chairman, Richard Bell, does not want to invite us, we have not discussed this matter with him directly, and we doubt that Secretary Butz has been involved in the decision to keep us out. The CEA, Treasury and State will support any effort on our part to get on the Agricultural Working Group. We believe Bill Seidman will also help. If you have any further questions Douglas Diamond, who is OER's chief agricultural economist, Lynn Johnston, who attended most meetings of the Food Deputies Group, and I will be happy to brief you.


MAURICE C. ERNST

Attachment:
as stated

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